

HOUSE BILL 923

Q2

2lr2494

By: **Delegates Lafferty, Beidle, Bromwell, Clippinger, Cluster, Holmes, Morhaim, Niemann, ~~and Summers~~ Summers, and Cardin**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Property Tax Credit – Neighborhood Conservation Act of 2012**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the
4 governing body of a county or municipal corporation to grant, by law, a property
5 tax credit against the county or municipal corporation property tax imposed on
6 certain owner-occupied, residential real property in certain designated areas;
7 providing for eligibility criteria for the credit; specifying the years in which
8 properties must be purchased to be eligible for the credit; requiring the
9 Department of Housing and Community Development to adopt regulations that
10 establish application procedures for the designation of certain neighborhood
11 conservation areas; requiring the governing body to designate certain
12 geographic areas as neighborhood conservation areas for purposes of the credit;
13 requiring the disclosure of certain annual information to individuals who
14 qualify for the property tax credit; requiring a county or municipal corporation
15 to provide certain reports to the General Assembly on or before certain dates;
16 providing for the application of this Act; and generally relating to property tax
17 credits for certain owner-occupied, residential real property in certain
18 designated areas.

19 BY adding to

20 Article – Tax – Property

21 Section 9-255

22 Annotated Code of Maryland

23 (2007 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 Article – Tax – Property

4 9–255.

5 (A) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
6 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY
7 LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR
8 MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON OWNER–OCCUPIED,
9 RESIDENTIAL REAL PROPERTY THAT IS PURCHASED FROM JULY 1, 2012,
10 THROUGH JUNE 30, 2018, AND IS LOCATED IN ~~AN AREA DESIGNATED BY THE~~
11 ~~GOVERNING BODY AS~~ A NEIGHBORHOOD CONSERVATION AREA ESTABLISHED OR
12 RENEWED BY APPLICATION TO THE DEPARTMENT OF HOUSING AND
13 COMMUNITY DEVELOPMENT BASED ON THE CRITERIA SPECIFIED IN
14 PARAGRAPH (2) OF THIS SUBSECTION.

15 (2) THE DEPARTMENT OF HOUSING AND COMMUNITY
16 DEVELOPMENT SHALL ADOPT REGULATIONS THAT ESTABLISH APPLICATION
17 PROCEDURES FOR THE DESIGNATION OF A NEIGHBORHOOD CONSERVATION
18 AREA BASED ON:

19 (I) THE CONCENTRATION OF FORECLOSURE ACTIVITY;

20 (II) THE CONCENTRATION OF BLIGHTED OR VACANT
21 PROPERTIES; AND

22 (III) THE LOCATION WITHIN A PRIORITY FUNDING AREA,
23 WITH PREFERENCE GIVEN TO SUSTAINABLE COMMUNITIES UNDER § 6–201 OF
24 THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

25 (B) IN ORDER TO QUALIFY FOR THE CREDIT UNDER THIS SECTION:

26 (1) FOR THE 12–MONTH PERIOD IMMEDIATELY PRIOR TO
27 PURCHASING THE PROPERTY, THE INDIVIDUAL’S PRINCIPAL RESIDENCE MAY
28 NOT HAVE BEEN LOCATED IN A NEIGHBORHOOD CONSERVATION AREA
29 DESIGNATED UNDER THIS SECTION UNLESS THE INDIVIDUAL WAS NOT AN
30 OWNER OF THE PROPERTY THAT WAS THE INDIVIDUAL’S PRINCIPAL RESIDENCE;
31 AND

32 (2) THE RESIDENTIAL REAL PROPERTY MUST HAVE BEEN
33 PURCHASED IN CONFORMANCE WITH THE ELIGIBILITY REQUIREMENTS FOR THE

1 CREDIT UNDER THIS SECTION AS ESTABLISHED BY THE MAYOR AND CITY
2 COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF THE COUNTY OR
3 MUNICIPAL CORPORATION.

4 (C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
5 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE,
6 BY LAW, FOR:

7 (1) THE AMOUNT OF THE PROPERTY TAX CREDIT AUTHORIZED
8 UNDER THIS SECTION FOR EACH TAXABLE YEAR AFTER THE PURCHASE OF THE
9 RESIDENTIAL REAL PROPERTY;

10 (2) THE DESIGNATION OF CERTAIN GEOGRAPHIC AREAS AS
11 NEIGHBORHOOD CONSERVATION AREAS FOR PURPOSES OF THE TAX CREDIT
12 AUTHORIZED UNDER THIS SECTION;

13 (3) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE
14 CREDIT UNDER THIS SECTION; AND

15 (4) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE
16 CREDIT UNDER THIS SECTION.

17 (D) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
18 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE,
19 ON AN ANNUAL BASIS TO THOSE INDIVIDUALS QUALIFYING FOR THE PROPERTY
20 TAX CREDIT UNDER THIS SECTION, A STATEMENT CERTIFYING QUALIFICATION
21 FOR THE TAX CREDIT AND THE AMOUNT OF THE TAX CREDIT BEING GRANTED.

22 (2) THE STATEMENT MAY BE PROVIDED ON OR WITH THE ANNUAL
23 PROPERTY TAX BILL OR IN ANOTHER MANNER AS CHOSEN BY THE LOCAL
24 GOVERNMENT.

25 (E) ON OR BEFORE JANUARY 1, OF THE CALENDAR YEAR FOLLOWING
26 THE YEAR IN WHICH THE NEIGHBORHOOD CONSERVATION TAX CREDIT IS
27 INITIATED, AND EACH JANUARY 1 THEREAFTER, A COUNTY OR MUNICIPAL
28 CORPORATION THAT GRANTS A TAX CREDIT UNDER THIS SECTION SHALL
29 SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE
30 GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE
31 AND THE HOUSE WAYS AND MEANS COMMITTEE THAT DESCRIBES:

32 (1) THE TAX CREDIT PROGRAM;

33 (2) THE DESIGNATED NEIGHBORHOOD CONSERVATION AREAS;

1 **(3) THE NUMBER OF RESIDENTIAL PROPERTIES WITHIN**
 2 **NEIGHBORHOOD CONSERVATION AREAS THAT QUALIFY FOR THE TAX CREDIT**
 3 **UNDER THIS SECTION; AND**

4 **(4) THE ECONOMIC IMPACT OF THE TAX CREDITS GRANTED**
 5 **UNDER THIS SECTION ON THE NEIGHBORHOOD CONSERVATION AREAS.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 7 June 1, 2012, and shall be applicable to all taxable years beginning after June 30,
 8 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.